

**Texan 2000 Sales Agreement for Qualified Ordering Entities ("QOE")
AT&T Solutions Inc. ("AT&T") Equipment Purchase & Installation ("EPI Direct")
Cover Page**

CUSTOMER Legal Name ("QOE")	AT&T Corp. ("AT&T" or "CONTRACTOR")	AT&T Sales Contact Name
State of Texas, acting by and through the General Services Commission and Qualified Ordering Entities as defined herein ("GSC" or "CUSTOMER")	AT&T Solutions providing Services Solutions Inc., a wholly-owned subsidiary of AT&T Corp., on its own behalf and on behalf of its affiliated entities ("AT&T Solutions")	Carl Walls
CUSTOMER Address	AT&T Address	AT&T Sales Contact Address
Qualified Ordering Entity as per PO	55 Corporate Drive Bridgewater, New Jersey 08807	Carl Walls Room 175201 E. 14 th Street Austin, Texas 78701
CUSTOMER Contact	AT&T Contact	AT&T Sales Contact Information
Name: QOE Title: Telephone: Fax: Email:	Name: Master Agreement Support Team Title: District Manager Telephone: 908-658-7028 Fax: 908-306-3788 E-Mail: mast@att.com	Name: Carl Walls Title: General Manager Telephone: 512-407-1700 Fax: Email: cwalls@att.com
CUSTOMER Billing Address	AT&T Authorized Agent Info.	AT&T Authorized Agent Address
Street Address City State Zip Code	Name: First Last Company Name: Telephone: Fax: Email:	Street Address City State Zip Code

This is the Texan 2000 EPI Direct Sales Agreement ("Agreement") for Qualified Ordering Entities ("QOE") seeking to purchase from AT&T Solutions Inc. ("AT&T") Equipment Purchase & Installation ("EPI Direct") Services procured by GSC from AT&T through a Master Agreement Reference No. 0232 ("Master Agreement") between the General Services Commission ("GSC") and AT&T Corp ("AT&T Corp.).

Attachment 2(f) of the Master Agreement shall be deleted in its entirety and replaced with this new Attachment 2(f).

Qualified Ordering Entities" or "QOE" means the GSC, other Texas State agencies, and political subdivisions of the State of Texas qualified by statute to obtain Services under the Master Agreement. For purposes of this Attachment, references to AT&T in the Master Agreement shall be deemed to include AT&T Solutions Inc.

GSC hereby authorizes QOE's to procure Equipment Purchase and Installation Services as a User. Such procurements shall be by Purchase Order issued by the QOE containing on its face a plain and conspicuous statement that such Purchase Order is issued under this Texan 2000 Sales Agreement, GSC Texan 2000 Sales Agreement number TEXAN 2000 – ATT – EPID and AT&T MA Reference No.0232 , if any. Form terms and conditions on such Purchase Order, and pre-printed terms and conditions, on such purchase orders shall not apply. Terms and conditions typed, printed, or hand written on such purchase orders will apply only if accepted in writing by AT&T. QOE's shall complete such other documentation as reasonably requested by AT&T in order to document an order or transaction.

Nothing included or to be negotiated under this Agreement shall affect either Party's rights and obligations in any way under any other Attachment to the Master Agreement or any other Texan 2000 Sales Agreement.

The Parties used as source documents the AT&T standard terms and conditions for the Equipment Purchase & Installation Services to be made available to QOE's, as that term is defined in Article 1.4 of the Master Agreement (the "EPI Direct" services), as proposed by AT&T during the RFO process, as modified by the below listed Contract Documents: 1,2,3,4,5, and 6 listed below.

1. TEXAN 2000 Sales Agreement.
2. AT&T Post-BAFO Questions and Responses dated June 2, 1999, and AT&T Post-BAFO Questions and Responses June 4, 1999 (Collectively "AT&T Post-BAFO Submissions") – Exhibit E;
3. CONTRACTOR Response to the Best and Final Offer (BAFO) for 99-TELE-2000; – Exhibit D
4. The Best and Final Offer (BAFO) for 99-TELE-2000– Exhibit C;
5. CONTRACTOR's Response to Request for Offer Number 99-TELE-2000– Exhibit B; and
6. Request for Offer Number 99-TELE– Exhibit A.

This Agreement consists of this Cover Page, the attached Texan 2000 EPID Sales Agreement and the Clarification Document attached thereto.

This document may be executed in separate counterparts, each of which, when taken together, shall constitute a fully executed document.

GSC's SIGNATURE BELOW ACKNOWLEDGES THAT GSC HAS READ AND UNDERSTANDS EACH OF THE TERMS AND CONDITIONS OF THIS AGREEMENT AND AGREES TO BE BOUND BY THEM.

STATE OF TEXAS,
acting by and through the
GENERAL SERVICES COMMISSION

By: _____

Jim Muse
(Authorized Signature)

JIM MUSE

(Typed or Printed Name)

EXECUTIVE DIRECTOR

(Title)

2/28/2000

(Date)

AT&T SOLUTIONS INC.

By: _____

Thomas L. Thayer
(Authorized Signature)

Thomas Thayer

Client Partner

2/25/00
(Date)

APPROVED AS TO FORM:

Cynthia Hill 2/25/00
Office of General Counsel

Barry 2/25/00
Fiscal Management

**TEXAN 2000 EPI DIRECT SALES
AGREEMENT
BETWEEN
THE STATE OF TEXAS by and through the GENERAL SERVICES
COMMISSION
AND
AT&T Solutions Inc.
GSC Contract No. TEXAN 2000 – ATT - EPID**

This Texan 2000 EPI Direct Sales Agreement (together with the Cover Page, and the Clarification Document attached as Exhibit F, the "Agreement") is made and entered into by and between the The State of Texas, General Services Commission, a state agency whose address is 1711 San Jacinto, Austin, Texas 78701 (the "GSC") and AT&T Solutions Inc. ("Contractor"). This Agreement is attachment 2(f) to the Master Agreement between AT&T Corp. and GSC, AT&T M.A. Reference NO.0232 and GSC Contract No. TEXAN 2000 – ATT - MA ("Master Agreement").

The GSC is authorized to enter this Agreement pursuant to the Chapter 2170 of Title 10, Subtitle D of the Texas Government Code. In consideration of the mutual covenants and agreements, herein contained, the parties hereto agree to the following:

ARTICLE I.

CONTRACT DOCUMENTS

This Agreement and the documents, listed below, together constitute the Contract and shall be referred to as the Contract Documents. The referenced documents are as follows:

- 1) Request for Offer Number 99-TELE-2000 including all addenda (the "RFO"), Exhibit A hereto;
- 2) Contractor's Response to the RFO, Exhibit B hereto;
- 3) The Best and Final Offer (BAFO) for 99-TELE-2000, Exhibit C hereto;
- 4) Contractor Response to BAFO, Exhibit D hereto;
- 5) Contractor's post-BAFO submissions, Exhibit E hereto;
- 6) Clarification Document and its attachments, Exhibit F hereto; and
- 7) HUB Participation Information, Paragraph 15.0 of the Master Agreement.

This Agreement shall be construed wherever possible to avoid conflict between and among the Articles hereof and the Exhibits hereto. Where a conflict cannot be avoided, the following descending order of precedence shall be observed in determining which of the Contract Documents contains the controlling provision:

- 1) This Agreement;
- 2) Paragraph 15.0 of the Master Agreement;
- 3) Exhibit F;
- 4) Exhibit E;
- 5) Exhibit D;
- 6) Exhibit C;
- 7) Exhibit B; and
- 8) Exhibit A.

Exhibits A – E are on file in the Central Procurement Division of GSC. Exhibit F is an attachment to this Agreement.

ARTICLE II.
DEFINITIONS

- A.** "Qualified Ordering Entities" or "QOE" means the GSC, other Texas State agencies, and political subdivisions of the State of Texas qualified by statute to obtain Services under this Agreement.
- B.** "Purchase Order" means the document issued by a QOE which specifies the quantity of goods and/or services to be provided by Contractor and as agreed to by Contractor under this Agreement (collectively, "Goods and Services"), as more particularly described in Exhibit F (Clarification Document). The terms and conditions of a Purchase Order governs the sales transaction between that QOE and the Contractor only as to the payment terms, type, number, price and delivery and installation terms for the Goods and Services. To the extent the Purchase Order has other pre-printed provisions inconsistent with the Agreement, the Agreement shall prevail.
- C.** "Clarification Document" means the document created by Contractor and approved by GSC attached as Exhibit F to this Agreement, including the General Terms and Conditions, Schedule 1 (Statement of Goods and Services) and Schedule 2 (Pricing).
- D.** "Affiliate" means an entity which controls, is controlled by or is under the control of Contractor, through ownership or by contract, and in the case of Contractor, it also means any entity which Contractor has authorized to offer any Goods or Services.

E. "Equipment" shall mean that equipment, specifically listed in Exhibit F, subject to availability.

F. "Goods and Services" shall mean that Equipment and those services described in Exhibit F.

G. "User" means anyone who uses or accesses the Goods or Services purchased by the QOE under this Agreement.

ARTICLE III.

TERM

This Agreement shall be in effect upon the Term Commencement Date, as defined in paragraph 11(a) (i) of the Management Service Contract, (April 3, 2000) and will continue for a period of five (5) years (the Primary Term). GSC reserves the option to extend this Agreement for five (5) additional one (1) year periods, not to exceed a total contract term of ten (10) years, unless terminated earlier as described herein. At the end of the first year of the Primary Term, this Agreement may be terminated for convenience by either AT&T or GSC effective 120 days after receipt of written notice given to the non-terminating party.

ARTICLE IV.

GOODS AND SERVICES

Contractor will provide the Goods and Services more particularly described in Exhibit F (Clarification Document). Contractor will furnish the Goods and Services to the QOEs under the terms and conditions of this Agreement.

ARTICLE V.
LIMITATION OF LIABILITY

Applicable limitations of liability are set forth in Exhibit F (Clarification Document).

ARTICLE VI.
REMEDIES

- A. Termination for Cause for Individual Purchase Orders.** If any party at any time commits any material breach of any covenant, warranty, or provision of this Agreement or a Purchase Order arising hereunder and, having been given the opportunity to correct, fails to cure any such breach within thirty (30) days after written notice thereof, the other party may, at its option, and in addition to any other remedies available to it at law or equity, cancel and terminate the Purchase Order by notice in writing to the breaching party.
- B. GSC and AT&T Termination for Cause.** Only GSC and the Contractor may terminate the Agreement for cause in accordance with Section 11(b)(ii) of the Management Services Contract, attachment 1 (a) to the Master Agreement.
- C. Termination for Convenience for Individual Purchase Orders.** QOEs may terminate a Purchase Order arising under this Agreement upon seven (7) business days written notice to Contractor. QOEs shall remain responsible and liable for payment for Goods shipped (subject to restocking fees) and Services received prior to the effective date of termination. The covenant of payment for Goods and Services received survives termination of this Agreement and/or a related purchase order.

D. GSC and AT&T Termination for Convenience. (See Article III hereof).

ARTICLE VII.

NOTICES

Except as otherwise specifically provided in Exhibit F (Clarification Document) for telephonic notices, all notices required to be given under this Agreement shall be in writing and either mailed by certified or registered mail, postage prepaid return receipt requested, sent by express courier, facsimile transmission or electronic means, with hard copy receipt, or hand delivered and addressed to each party at the address set forth on the front of this Agreement or, if the notice relates to a specific Purchase Order, the address set forth in such Purchase Order, or, in any case, such other address a party designates in writing.

ARTICLE VIII.

PAYMENT

As set forth in Exhibit F, QOE's shall pay Contractor for its and Users' use of the Goods and Services at the rates and charges specified in Exhibit F, without deduction, setoff or delay for any reason, subject to any applicable provisions of Chapter 2251 of the Texas Government Code and Section 55.010, Texas Utilities Code. All entities ordering Goods and Services under this Agreement agree to pay late penalties as set forth under Chapter 2251 of the Texas Government Code.

ARTICLE IX.

MISCELLANEOUS

A. Vendor Performance. QOEs shall report to GSC any instances of vendor non-performance under this Agreement, pursuant to 1 TAC Chapter 113, Subchapter F.

B. Entireties. This Agreement supersedes any and all prior oral agreements, representations, or promises made by the parties that differ in any way from the terms and conditions stated herein.

C. Amendments, Modifications or Changes. Any supplement, modification or waiver of any provision of this Agreement must be in writing and signed by authorized representatives of both parties. A waiver by either party of any breach of this Agreement shall not operate as a waiver of any other breach of this Agreement.

D. Assignment. This Agreement may not be assigned by either party without the prior written consent of the other, except that either party may, without the other party's consent, assign this Agreement to a present or future Affiliate or successor, provided that any such assignment by GSC shall be contingent upon AT&T determining the assignee to be creditworthy and in compliance with any eligibility criteria for the Services.

E. Force Majeure. Neither Contractor nor a QOE shall be liable for any delay, failure in performance, loss or damage due to: fire, explosion, power blackout, earthquake, flood, the elements, strike, embargo, labor disputes, acts of civil or military authority, wars, acts of God, acts or omissions of carriers or suppliers, which are not acting as affiliates under this Agreement, acts of regulatory or

governmental agencies, or other causes beyond such party's reasonable control, whether or not similar to the foregoing, except that a QOE's obligation to pay for Service received shall not be excused.

F. Severability. If any provision(s) of this Agreement shall be invalid or unenforceable, such provisions shall not invalidate or render unenforceable the entire Agreement. The entire Agreement shall be construed as if the invalid or unenforceable provision(s) were not included in the Agreement.

G. Governing Law. This Agreement will be construed and all disputes hereunder will be settled under the laws of the State of Texas.

H. Third Party Beneficiary. Other than as expressly set forth herein, this Agreement shall not be deemed to provide third parties, with any remedy, claim, right or action or right.

I. Compliance with Laws. This Agreement shall be subject to all applicable laws, court orders, rules and regulations.

J. Export Control. The term "technical data" used in this paragraph is defined in the United States Export Administration Regulations ("Regulations"). The parties acknowledge that any tangible or intangible technical data provided under this Agreement are subject to U.S. export laws and the Regulations. Each party agrees that it will not use, distribute, transfer, or transmit technical data provided by the other party under this Agreement except in compliance with the Regulations.

K. Non-Appropriation. GSC, each other Texas State Agency and each QOE, to which public appropriations apply, represents with regard to each of its procurements under this Agreement that it has funds available to pay all amounts due hereunder through the end of its current appropriation period. In the event that (i) funds shall not be appropriated and shall not otherwise be available for any QOE fiscal periods following its current fiscal year ("subsequent fiscal period") for the acquisition of products and/or services and functions which are the same as or similar to the Services provided under this Agreement, and (ii) QOE shall have exhausted all funds legally available for payment under the Agreement, then QOE may terminate Services under this Agreement as of the last day for which funds were appropriated or otherwise made available by giving sixty (60) days prior written notice of termination to AT&T.

L. Strict Performance. Failure at any time to require strict performance by either party of any Agreement provisions shall not waive or diminish that party's right thereafter to demand strict compliance with any other Agreement provision.

M. Subcontracting. During the term of this Agreement, Contractor may subcontract any work to be provided pursuant to this Agreement without obtaining approval from GSC provided that any such subcontracting shall not relieve Contractor from any of the obligations to perform in accordance with this Agreement.

EXHIBIT F
CLARIFICATION DOCUMENT TO GSC
CONTRACT NO. TEXAN 2000 – ATT – EPID

This Exhibit includes the following schedules:

- Schedule 1: Clarification Document for Equipment Purchase and Installation Direct
- Schedule 2: Statement of Goods and Services
- Schedule 3: Pricing

Schedule 1

**CLARIFICATION DOCUMENT For Equipment Purchase and Installation Direct
(EPID)**

GENERAL TERMS AND CONDITIONS

1.0 SCOPE OF AGREEMENT

AS A SUPPLEMENT TO THE OTHER TERMS AND CONDITIONS IN THE AGREEMENT, THESE TERMS WILL GOVERN THE QOE'S ("you" or "your") ACQUISITION FROM AT&T SOLUTIONS OF ANY GOODS AND SERVICES DESCRIBED IN SCHEDULE 1 HERETO ("STATEMENT OF GOODS AND SERVICES") AT THE PRICES SET FORTH IN SCHEDULE 2 HERETO ("PRICES").

2.0 DELIVERY AND INSTALLATION

2.1 AT&T SOLUTIONS will attempt to meet your requested delivery dates subject to availability of Goods and Services, but AT&T SOLUTIONS shall have no liability for late delivery. You are responsible for inspecting Equipment when you receive them and noting any damage on the bill of lading. Equipment will be shipped by AT&T to QOE's designated location. Shipping fees may apply.

2.2 AT&T SOLUTIONS will install Equipment if you purchase installation services. Installation services are complete when the Equipment successfully executes AT&T SOLUTIONS' or its suppliers' diagnostic programs or successfully meets other criteria agreed to by AT&T SOLUTIONS and the QOE.

3.0 PRICES AND TAXES

Goods and Services prices do not include: AT&T SOLUTIONS' standard freight, distribution and installation charges; any other charges associated with your site or other requirements; supplies; and all taxes which relate to your acquisition of Goods and Services.

4.0 PAYMENT TERMS AND SECURITY INTERESTS

Unless otherwise provided in the applicable AT&T SOLUTIONS' invoice, you shall pay Contractor for your and Users' use of the Goods and Services at the rates and charges specified in Exhibit F, without deduction, setoff or delay for any reason, subject to any applicable provisions of Chapter 2251 of the Texas Government Code and Section 55.010, Texas Utilities Code. Charges set forth in Exhibit F are exclusive of any applicable taxes. You may be required at any time to pay a deposit if AT&T determines that you are not creditworthy or, without prejudice to Contractor's rights under Article VI. (Remedies) of this Agreement, as a condition for Contractor to continue to provide the Services in the event you are in breach of this Agreement and fail to cure such breach within thirty days notice of such breach.

You shall pay all shipping charges, applicable taxes (excluding those on Contractor's net income) and other similar charges (and any related interest and penalties) relating to the sale, transfer of ownership, installation, license, use or provision of the Goods and Services, except to the extent a valid tax exemption certificate is provided by you to Contractor prior to the delivery of the Goods or Services. If you are a political subdivision of the State of Texas and present a valid tax exemption certificate you will not be subject to the assessment or payment of federal, state and local sales and excises taxes.

Payment is due within thirty (30) days after the receipt of invoice and shall refer to the invoice number. Restrictive endorsements or other statements on checks accepted by AT&T will not apply. Penalties for late payment shall be paid by all entities ordering under this Agreement in accordance with Chapter 2251, Texas Government Code, as applicable.

5.0 CONFIDENTIAL INFORMATION

Subject to QOE's duty to comply with the Texas Public Information Act, each party agrees that, for a period of three years after the expiration or termination of this Agreement, it will not disclose to any unaffiliated third party any proprietary information of the other party, including, without limitation, information concerning trade secrets, methods, processes or procedures or any other confidential business or technical information ("Confidential Information"), which it learns during the course of its performance of this Agreement, without the prior written consent of the other party, except to the extent that any such Confidential Information: (i) is in the public domain; (ii) is independently developed by the receiving party; (iii) is already in the possession of such party prior to disclosure; (iv) is rightfully received from a third party not under a confidentiality obligation to the other party; or (v) is legally required to be disclosed by the receiving party. Either party may disclose Confidential Information to its sub-contractors, agents or advisors on a need-to-know basis, provided it first obtains an appropriate non-disclosure agreement therefrom.

6.0 INTELLECTUAL PROPERTY RIGHTS

Any and all inventions, improvements, developments or innovations (including all rights to patents, copyrights, trademarks and trade secrets inherent therein and appurtenant thereto) made, conceived or devised by AT&T SOLUTIONS and provided or made available to you in the course of performing work hereunder are and will be the sole and exclusive property of AT&T SOLUTIONS, and neither ownership thereof nor title thereto will thereby pass to you.

7.0 LICENSE TO USE SOFTWARE AND DOCUMENTATION

7.1 Software associated with the Equipment ("Software") described in Schedule 2 will be provided in accordance with the manufacturer's standard software license.

7.2 Subject to QOE's duty to comply with the Texas Public Information Act, you will treat as Confidential Information all Software and documentation. You may not transfer, disclose, sublicense or distribute Software and documentation to third parties or copy Software and documentation without AT&T SOLUTIONS' written consent. You may only make Software and documentation available to third parties (even if it is resident on equipment which you transfer) if AT&T SOLUTIONS consents in writing and the third party agrees in writing to AT&T SOLUTIONS' and the manufacturers' standard license terms and to the payment of any applicable relicensing fees. You agree to comply with AT&T SOLUTIONS' then current policies for Software and documentation.

8.0 WARRANTIES

8.1 Equipment and Software - The Equipment and Software will be sold to you on an "As Is" basis. AT&T Solutions' DISCLAIMS ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED (INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE). Nevertheless, AT&T Solutions shall make commercially reasonable efforts to pass through to QOE any warranties available from Equipment manufacturers'.

8.2 Equipment, Software and other Goods and Services- EXCEPT AS SPECIFICALLY SET FORTH IN THESE TERMS: (1) AT&T SOLUTIONS DISCLAIMS ALL WARRANTIES, EXPRESS AND IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND

FITNESS FOR A PARTICULAR PURPOSE; AND (2) AT&T SOLUTIONS WILL NOT HAVE ANY OBLIGATION OR BE LIABLE FOR ANY ERROR, OMISSION, DEFECT, DEFICIENCY, OR NONCONFORMITY IN ANY EQUIPMENT OR RELATED SOFTWARE. AT&T SOLUTIONS DOES NOT WARRANT THAT THE OPERATION OF EQUIPMENT WILL BE UNINTERRUPTED OR ERROR FREE. AT&T SOLUTIONS HAS NO WARRANTY OBLIGATION FOR EQUIPMENT OR RELATED SOFTWARE WHICH YOU ACQUIRE FROM AT&T SOLUTIONS BUT WHICH ARE NOT MANUFACTURED BY AT&T SOLUTIONS, AND WHICH DO NOT BEAR AN AT&T SOLUTIONS LOGO OR COPYRIGHT NOTICE.

9.0 LIMITATIONS OF LIABILITY AND EXCLUSIVE REMEDIES

9.1 AT&T SOLUTIONS IS NOT LIABLE FOR ANY INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSS OF PROFITS, REVENUE, DATA OR USE, OR DIRECT DAMAGES EXCEPT FOR BODILY INJURY CAUSED BY AT&T SOLUTIONS' GROSS NEGLIGENCE.

9.2 AT&T SOLUTIONS'S LIABILITY WILL NOT EXCEED THE AMOUNT WHICH YOU HAVE PAID TO AT&T SOLUTIONS UNDER THIS AGREEMENT, EVEN IF ANY PROVISION OF THIS AGREEMENT FAILS OF ITS ESSENTIAL PURPOSE.

9.3 OUR RESPECTIVE OBLIGATIONS IN THESE TERMS ARE THE SOLE AND EXCLUSIVE REMEDIES FOR ANY BREACH OR DEFAULT AND FOR ANY OTHER CLAIMS RELATED TO ANY EQUIPMENT.

10.0 AT&T SOLUTIONS EQUIPMENT CAPABILITY

You, not AT&T SOLUTIONS, are responsible for selecting Equipment which achieves your intended results and for promptly verifying that Equipment performs as specified.

11.0 DEFENSE OF INFRINGEMENT CLAIMS

You will notify AT&T SOLUTIONS immediately after you become aware of any claim or threatened claim of infringement involving Equipment and cooperate in defending such claims. AT&T SOLUTIONS will defend at its expense any claim or suit brought against you alleging that any Equipment (not including Equipment which you acquire from AT&T SOLUTIONS but which do not bear an AT&T SOLUTIONS logo or copyright notice), infringes a United States patent, copyright, or trade secret, and will pay all damages finally awarded. In the defense or settlement of the claim, AT&T SOLUTIONS may at its discretion obtain for you the right to continue using the AT&T SOLUTIONS Equipment, replace or modify the AT&T SOLUTIONS Equipment so that it becomes non-infringing, or refund your purchase price less depreciation. This section states AT&T SOLUTIONS' entire responsibility for infringement claims.

12.0 CLAIMS

To the extent allowed by Texas Law, AT&T SOLUTIONS and QOE will indemnify each other and their respective Affiliates, employees, subcontractors and agents against all losses resulting from bodily injury to or death of any person (including their respective employees, subcontractors or agents) or loss of or damage to any tangible real or personal property to the extent that such loss was proximately caused by gross negligence or willful misconduct of any person for whose conduct the indemnitor is responsible and which arises from the performance or receipt of the Goods and Services hereunder. To the extent allowed by Texas Law, QOE will indemnify AT&T Solutions against all other claims from any third party relating to AT&T Solution's performance of work under this Agreement.

Neither QOE nor AT&T SOLUTIONS may bring a claim or action, regardless of form, arising out of or related to the Goods or Services more than one year after the cause of action accrues, except that you or AT&T SOLUTIONS may bring a claim up to two years after the cause of action accrues if you fail to timely pay AT&T SOLUTIONS or the injured party cannot reasonably discover the basic facts supporting the claim within one year.

Schedule 2

Statement of Goods and Services

1. Summary of Services

1.1 Equipment Purchase/ and Installation Direct (EPID)

AT&T Solutions has been awarded a contract for the following manufacturers' products, for Equipment Purchase and/or Installation Direct (EPID) for Qualified Ordering Entities (QOE's). AT&T Solutions will provide equipment purchase, design, configuration, and installation (available on a statewide basis).

Manufacturers Supported

This contract will cover the following manufacturers' data networking products that are available for purchase from the manufacturer:

- 3COM
- Ascend
- Bay Networks
- Cisco
- Kentrox
- Larscom
- Sun Microsystems
- Verilink

Purchasing Categories

The following categories of equipment, maintenance and installation are those provided to the QOE by mutual agreement with AT&T Solutions. The QOE may:

- Purchase equipment and order site survey (*i.e.*, room availability/facilities, HVAC, circuit provisioning status), and installation services (*i.e.*, provisioning/staging, router basic configuration, load software, configure IP addresses, mount hardware in rack/shelf, power-up system, connect and perform end-to-end testing).

- Purchase equipment without site survey and / or installation services.
- Purchase additional services under negotiated T&M rates.
- Order maintenance at time of equipment purchase for manufacturers with specific maintenance discounts listed in Table 1.1.
- Order maintenance for existing Cisco equipment that was not purchased through AT&T Solutions. The maintenance vendor in certain situations may impose maintenance re-certification charges. T&M, Project Implementation Management, or Engineering charges may apply. Maintenance is no longer available when a manufacturer no longer supports a product.
- Order maintenance for Cisco equipment purchased through AT&T Solutions but after equipment installation.

Project Implementation Management (PIM) Options

The Project Implementation Manager (PIM) is responsible for planning and execution of data network implementations. The PIM has overall accountability for the on-time, high-quality delivery of networking products and services during implementation. PIM responsibilities include coordination of the team that will be responsible for all aspects of engineering and implementing the data networking installation. The PIM will coordinate and host meetings and conference calls for purposes of gathering requirements, setting expectations and developing project plans. Direct, proactive interface is required with a variety of resources, including vendors, for purposes of project planning, schedule development and implementation status.

The PIM will manage on-time completion of all implementation deliverables from internal and external partners and suppliers. They will coordinate and schedule all activities required for successful implementation of the network including site surveys; circuit provisioning; equipment ordering, staging and installation; inside wiring; site turn-up coordination; and acceptance. The Project Implementation Manager will lead the identification and resolution of any issues encountered before or during implementation that impact on-time, high-quality service delivery, including facilities issues.

The QOE has the option of providing their own Project Implementation Manager to perform these functions. AT&T will provide to the QOE a Project Plan Template to customize, as well as a Project Implementation Manager Checklist Template (both to be developed as part of the Operational Documents). The functions designated on this template must be provided by either the QOE or AT&T in order to enable AT&T to properly perform its other responsibilities in this document.

As an option, AT&T will provide the Project Implementation Manager function, as described above and specified in the pricing schedule.

Ordering Procedures

AT&T Solutions will provide a single toll-free phone number for equipment purchase service, to be utilized by QOE's for ordering equipment. Initial ordering procedures are as follows:

- AT&T Solutions will provide a client interface to receive the initial requests (Purchase Order). This client interface will answer questions and help resolve issues, determine QOE requirements, and propose solutions consistent with this agreement.
- AT&T Solutions will receive the QOE Purchase Order, input it into the provisioning platform and place equipment and maintenance orders with appropriate vendors. AT&T will coordinate site survey and installation tasks as requested.
- AT&T will target a 90% success rate for shipping equipment considered standard and in-stock by covered manufacturers within 10 business days of receipt of a correct purchase order.
- Firm commitment dates will be in effect with the receipt of the Purchase Order.
- On request, AT&T Solutions will provide the QOE with an organizational chart and escalation path for calls from the QOE.

Schedule 3

Pricing

Table 1.1 Equipment Purchase Discounts

Equipment Purchase	Percent Discount Off Manufacturer's List Price (All Hardware)	Percent Discount Off Manufacturer's List Price (All Software)	Percent Discount Off Manufacturer's List Price (Maintenance)**
Equipment Manufacturer			
Cisco	36%	36%	20%
Bay Networks	36%	36%	N/A
3Com	11% to 41%*	N/A	11%
Ascend	27% to 38%*	N/A	N/A
Kentrox*	5% to 42%*	N/A	0%
Larscomf*	up to 28%*	N/A	N/A
Sun Microsystems	21% to 34%*	N/A	N/A
Verilink	27%	N/A	N/A

Notes:

- Cables are not discounted.
- A restocking fee of 20% will apply to authorized orders when equipment is refused on delivery or when returned after delivery for reasons other than delivery damage or failure to meet AT&T's installation criteria.

* Depending on product Class.

** Please see Table 1.2 for specific product discounts.

*** AT&T Solutions assumes the QOE will be the owner of record for the hardware purchased. The QOE will pay the Maintenance charges to AT&T Solutions and AT&T Solutions will then pay the Maintenance Vendor. The QOE should request this maintenance at the time the equipment order is placed with vendor. Thereafter, the QOE will be responsible for contacting the Maintenance vendor directly for service. AT&T Solutions will not be involved in on-going maintenance operations for this equipment. AT&T Solutions may make available manufacturer's maintenance (e.g., Cisco's SmartNet) for equipment not under AT&T Solutions management.

N/A = Not Currently Available.

Table 1.2 Kentrox and Larscom Examples of Equipment Discounts

Specific products and specific discounts applicable as of the date of the Agreement.

Part Number	Description	List Price	Discount
KENTROX			
72554	DataSmart, 554, T1, Single Port, Plug In	\$ 1,495.00	35%
72656	DataSmart, Single Port, Stand Alone	\$ 1,495.00	35%
77115	CSU, T-Serv II, Basic, Plug In	\$ 1,000.00	35%
77965	T Server II, Channel, Stand Alone	\$ 1,200.00	35%
LARSCOM			
OR4K-Con.x-8DS1	Module, 8 DS1, Interface, w/Rear Panel	\$ 4,000.00	28%
OR4K-TMUX-A-8T1	Module/Card, 8T1 Ports	\$ 5,500.00	28%
AM-101-D	Module (T-module), Access, 2 ea Interface, 2ea DTE (EIA-530 ports)	\$ 2,795.00	28%

Note: Discounts shown apply to these specific products only. List prices are subject to change from manufacturer without notice.

Equipment Installation Charges

For QOE's that have purchased equipment under this agreement, installation services are available. Table 1.3 contains the Equipment Staging and Installation Charges that AT&T Solutions will provide to QOE's under this TEXAN 2000 Sales Agreement:

Table 1.3 Equipment Installation Charges with Staging

Equipment Installation Services	Simple System or Component Install, i.e., leaf node router, CSU/DSU, processor card, etc. (Up to 2 hrs. Onsite)	Intermediate System or Component Install, i.e., leaf network router, CSU/DSU shelf, etc. (Up to 4 hrs. Onsite)	Complex System or Multi-Component Install, i.e., core or distribution router, memory upgrades, etc. (Up to 6 hrs. Onsite)
Statewide			
0-25 Miles Radius	470.00	652.00	827.00
26-50 Miles Radius	470.00	652.00	827.00
51-150 Miles Radius	470.00	652.00	827.00
Over 150 Miles Radius	470.00	652.00	827.00
Pre-site Survey and Site Drawing	225.00	225.00	284.00
Re-trip Cost - Site Survey	225.00	225.00	284.00
Re-trip Cost - Installation	470.00	652.00	827.00
Additional hourly out-of-scope rate	Note 1	Note 1	Note 1
Equipment Delivery or Transportation Cost to Customer Site	Note 4	Note 4	Note 4

Note 1: The following out-of-scope Time & Materials prices are for Installation and Site Survey functions.

- T&M: \$133 / Hour for 8 x 5, Mon – Fri, except holidays
- T&M: \$173 / Hour for out of normal business hours, 2 Hour minimum.

Note 2: Shipping Charges

- Shipping charges will be 2 % of the net equipment cost after applicable discounts are taken.

Points of Clarification for Installation Charges

Equipment Classes

- Simple System: Cisco 1XXX or 2XXX, and associated DSU and Modem
- Intermediate System: 3XXX or 4XXX, and associated DSU and Modem
- Complex System: 7XXX, and associated DSU and Modem
- Individual Case Basis: Other equipment, including switches, Sun systems, multiplexers, ATM.
- Individual Case Basis: where changes to existing services or new network services require design or engineering services, or complex coordination between multiple vendors/parties or multiple sites, or removal of existing equipment.
- Bay Networks Equivalent of Cisco Models are included as Simple, Intermediate, or Complex System Installations.
- Installation charges for changes to existing systems will be based on the time limit designated for each column in Table 1.3, not the class of the system, as defined above.

Project Implementation Management (PIM)

- Services noted in Section 1.1 are the responsibility of the QOE
- AT&T Solutions will provide these services for \$150/Hour

Scope of Installation Includes:

- Staging:
 - Assemble and Configure Hardware
 - Load manufacturers' IOS Software
 - Load Customer-Supplied Routing Table
 - Configure customer-provided IP Address
 - Perform manufacturer's diagnostic test of equipment
- Installation:
 - Mount Hardware in Rack/Shelf
 - Connect to customer-provided circuit, LAN, phone line, and/or power supply
 - Power Up and Perform Unit Test
 - Resolve troubles related to the installed equipment
- End-to-End Test:
 - Perform Ping test to QOE NOC, up to 15 minutes (if unit configured with modem and phone line for out-of-band management), **OR**
 - Work with QOE NOC for End-to-End test, consistent with the on-site time limits associated with the type of installation.

Optional Services of Design, Engineering, and Engineering Support

- Professional Services to provide functions such as
 - Network requirements and configuration assessment
 - Network Planning and Design
 - System and Routing Software Engineering and Configuration
 - System Design Package
 - System Testing and Turn-up Problem Resolution for components not installed
- \$165/Hour for 8 x 5, Mon – Fri, except holidays
- \$215/hr, out of normal business hours

**Texan 2000 Sales Agreement for Qualified Ordering Entities ("QOE")
AT&T Solutions Inc. ("AT&T") Equipment Purchase & Installation ("EPI Direct")
Cover Page**

CUSTOMER Legal Name ("QOE")	AT&T Corp. ("AT&T" or "CONTRACTOR")	AT&T Sales Contact Name
State of Texas, acting by and through the General Services Commission ("GSC" or "CUSTOMER")	AT&T Solutions Inc., a wholly-owned subsidiary of AT&T Corp., on its own behalf and on behalf of its affiliated entities ("AT&T Solutions")	Charles Schwarz
CUSTOMER Address	AT&T Address	AT&T Sales Contact Address
	55 Corporate Drive Bridgewater, New Jersey 08807	15 Vreeland Road Florham Park, New Jersey 07932
CUSTOMER Contact	AT&T Contact	AT&T Sales Contact Information
Name: Title: Telephone: Fax: Email:	Name: Master Agreement Support Team Title: District Manager Telephone: 908-658-7028 Fax: 908-306-3788 E-Mail: mast@att.com	Name: Charles Schwarz Title: Client Partner Telephone: 973-443-3160 Fax: 973-443-4555 Email: charlesschwarz@att.com
CUSTOMER Billing Address	AT&T Authorized Agent Info.	AT&T Authorized Agent Address
Street Address City State Zip Code	Name: First Last Company Name: Telephone: Fax: Email:	Street Address City State Zip Code

This is the Texan 2000 Sales Agreement ("Sales Agreement") for Qualified Ordering Entities ("QOE") seeking to purchase AT&T Solutions Inc. ("AT&T") Equipment Purchase & Installation ("EPI Direct") Services procured by GSC from AT&T through a Master Agreement Reference No. _____ ("Master Agreement") between the General Services Commission ("GSC") and AT&T Corp. ("AT&T Corp.).

The GSC and AT&T as of the Contract Effective Date, continue in negotiations to complete documentation of this scope of the TEXAN 2000 RFO Process. The Parties are using as source documents the AT&T standard terms and conditions for the Equipment Purchase & Installation Services to be made available to QOE's, as that term is defined in Article 1.4 of the Master Agreement (the "EPI Direct" services), as proposed by AT&T during the RFO process, as modified by the below listed Contract Documents: 1, 2, 3, 4, 5 and 6 listed below. The Parties intend to complete these negotiations and documentation within thirty (30) days of the Contract Effective Date.

1. AT&T Post-BAFO Questions and Responses dated June 2, 1999, and AT&T Post-BAFO Questions and Responses June 4, 1999 (collectively "AT&T Post-BAFO Submissions");
2. CONTRACTOR Response to the Best and Final Offer (BAFO) for 99-TELE-2000;
3. The Best and Final Offer (BAFO) for 99-TELE-2000;
4. CONTRACTOR's Response to Request for Offer Number 99-TELE-2000;
5. Request for Offer Number 99-TELE-2000; and
6. TEXAN 2000 Sales Agreement.

[See next page]

Nothing included or to be negotiated under this EPI Direct agreement shall affect either Party's rights and obligations in any way under any other Attachment to the Master Agreement.

This document may be executed in separate counterparts, each of which, when taken together, shall constitute a fully executed document.

CUSTOMER'S SIGNATURE BELOW ACKNOWLEDGES THAT CUSTOMER HAS READ AND UNDERSTANDS EACH OF THE TERMS AND CONDITIONS OF THIS CONTRACT AND AGREES TO BE BOUND BY THEM.

**STATE OF TEXAS,
acting by and through the
GENERAL SERVICES COMMISSION**

AT&T SOLUTIONS INC.

By: _____
(Authorized Signature)

By: _____
(Authorized Signature)

(Typed or Printed Name)

(Typed or Printed Name)

(Title)

(Title)

(Date)

(Date)

APPROVED AS TO FORM:

Office of General Counsel

Fiscal Management